


AR11

1971  
ANNUAL  
REPORT

CANADIAN  
CABLESYSTEMS  
LIMITED



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# CANADIAN CABLESYSTEMS LIMITED

123 Eglinton Avenue East, Toronto

## DIRECTORS

Donald S. Anderson  
Donald L. Angus, P.Eng.  
Robert W. Bonner, Q.C.  
Claude Ducharme, Q.C.  
W. Z. Estey, Q.C.  
Edwin R. Jarmain, P.Eng.  
Thomas E. Nichols  
D. A. Williams, C.A.

## OFFICERS

*President* — W. Z. Estey, Q.C. 133-8372  
*Executive Vice-President and Treasurer* — D. A. Williams, C.A.  
*Secretary* — A. Gnat  
*General Manager* — E. E. Fitzgibbons

## HOLDINGS

### Cable TV

Hamilton Co-Axial (1958) Limited .....	100%
Grand River Cable TV Limited .....	100%
Metro Cable TV Limited .....	100%
Cornwall Cable Vision 1961 Limited .....	50%
London TV Cable Service Limited .....	50%
Jarmain Cable TV Limited .....	34%
Chatham Cable TV Limited .....	25%
Oshawa Cable TV Limited .....	37.5%
Alberni Cable Television Limited .....	20%

### Television

British Columbia Television Broadcasting System Ltd..	11.8%
Bushnell Communications Limited .....	6.3%
Télévision de Québec (Canada) Limitée .....	20%

### Theatres

Famous Players Limited .....	48.8%
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### Others

Agra Industries Limited .....	approximately 56,000 shares
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## COMPANY AUDITORS

Price Waterhouse & Co.

## EXCHANGE LISTINGS

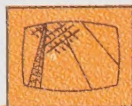
Toronto and Montreal Stock Exchanges

## TRANSFER AGENT

Montreal Trust Company

## REGISTRAR

The Royal Trust Company



## CANADIAN CABLESYSTEMS LIMITED AND SUBSIDIARY COMPANIES 52ND ANNUAL REPORT

### TO THE SHAREHOLDERS

Since the reorganization of your Company in March 1971, which became effective January 3, 1971, your Directors have established August 31st as the fiscal year end for the Company. As a result, this report covers an eight month financial period for this year. All companies in which the Company holds an interest have this common year end, except Famous Players Limited whose fiscal year end is now June 30th.

Comparisons with the operating results for the eight month period in 1970 are not meaningful because of the reorganization of the Company and the fact that certain of the CATV companies held at August 31, 1970 have been sold. In addition, the reorganization of the Company resulted in the theatre and related operations being transferred to Famous Players Limited, approximately 51½% of whose shares were delivered to Gulf + Western in partial consideration of their return for cancellation of 3,571,564 shares which resulted in a reduction of approximately 50% of the number of shares outstanding in your Company. While we continue to hold a 48.8% interest in the theatre company (Famous Players Limited), direct comparison of results would serve no useful purpose.

#### Financial Position

We are pleased to report that the net earnings for the eight month period to August 31st before extraordinary

items were \$1,767,259 equal to 49¢ per share. In addition the Company received extraordinary gains on the sale of certain of its investments in the amount of \$835,760 equal to a further 23¢ per share for a total of 72¢ per share for the eight month period. These gains, which are non-recurring, resulted from the sale of certain communications assets prior to March 12, 1971 when the Company became qualified under the present foreign ownership regulations.

This year, consolidated revenue includes the earnings of the Company's wholly-owned cable TV subsidiaries in Toronto, Kitchener-Waterloo, and Hamilton, Ontario. In addition, the earnings include, on an equity accounting basis, the 50% interest held in London TV Cable Service Limited, London, and Cornwall Cable Vision 1961 Limited, Cornwall, Ontario. The minority interests held in the Chatham, Brantford, Newmarket, Oshawa and Alberni systems are not included. All cable systems showed satisfactory increases in revenues and earnings this year.

Our earnings include dividends received from Télévision de Québec (Canada) Limitée, Quebec City, and British Columbia Television Broadcasting System Limited in Vancouver in the total amount of \$144,566 for the eight month period to August 31, 1971.

Our earnings also include 48.8% of the profits of Famous Players Limited in the amount of \$1,035,497,

of which \$280,538 was received by way of dividends prior to August 31, 1971.

Our capital expenditures of \$1,860,778 include the rewiring of the Etobicoke system as well as the completion of wiring of almost all of the licensed areas of the cable TV companies in Toronto, Kitchener-Waterloo, and Hamilton, and the provision of studio facilities and programme origination equipment for all three systems.

Interest expenses of \$249,720 include interest on the 4% Income Debenture of \$7,016,366 from March 12, 1971 which matures June 30, 1972. This particular item is not an allowable deduction for income tax.

### **Cable TV Growth**

The nine cable companies increased their total subscribers from 197,000 in December 1970 to 211,800 at August 31st for an average saturation of 54.8%. This represents an increase of 7.5% in the period of eight months. New subscribers up to November 15th increased the total to 222,200 subscribers, of which our equity is approximately 75% or 167,054 subscribers on service. The potential subscribers to the nine CATV systems is currently estimated at 386,875.

### **License Renewals**

All CATV licenses held by subsidiary and/or associated companies in Ontario, expire December 31, 1971 and applications were submitted for their renewal. The CRTC hearing for these license renewals was held in

Toronto on December 13, 1971, and at the time of writing, no decisions have been announced.

Your Company is now in full compliance with ownership regulations having over 90% of its shares held by more than 4,300 Canadian shareholders.

### **CRTC Policy Statement**

The CRTC July statement of policy has provided a clarification of what is expected of cable companies in their obligation to provide programming. Your Company has purchased the necessary equipment this year in Cornwall, Toronto and Kitchener and jointly with other operators on a co-operative basis in Hamilton. London TV Cable, Jarman Cable TV, Chatham Cable TV and Oshawa Cable TV acquired their equipment previously.

Toronto, Kitchener, Hamilton and Cornwall are each developing their own local community programmes and increasing their number of programme hours per day on their respective programme origination channels. The Jarman group of companies has been providing a considerable amount of programming in their local communities for approximately two years and has met with, and continues to gain, audience acceptance.

Discussions are taking place with broadcasters and others on ways and means of acquiring rights to replay desirable Canadian-produced programmes from the television stations and also from other Canadian programme sources on our community programming channel.



## Television

Télévision de Québec (Canada) Limitée, Quebec City, P.Q., British Columbia Television Broadcasting System Limited, Vancouver, B.C., and Bushnell Communications Limited, Ottawa, Ontario, each had a successful year in 1971. Your Company holds a 20% interest in Télévision de Québec, 11.8% in B.C. Television and 6.3% in Bushnell Communications Limited.

## Famous Players Limited

As the results of Famous Players Limited have a considerable effect on our earnings, we set out below details of their results for your information. The 1970 figures have been extracted from the operating statements of that company. These results are shown for the nine months to September 30th but only that portion attributable to the eight months to August 31st has been included in our accounts.

	<i>Nine Months to September 30th</i>	
	<i>1971</i>	<i>1970</i>
Gross Revenue . . . . .	\$45,709,770	\$43,516,797
Operating Profits . . . . .	3,879,331	3,723,879
Non-Recurring Items . . .	43,035	385,034
Other Income . . . . .	327,968	308,125
Earnings Before Income Taxes . . . . .	4,250,334	4,417,038
Provision for Income Tax	1,795,146	2,090,730
Net Earnings . . . . .	2,455,188	2,326,308

## Real Estate Appraisal

At the time of the reorganization, Canadian Cablesystems Limited entered into an agreement with Gulf + Western (Canada) Limited under which an undertaking was given to obtain independent appraisals of the real estate of Famous Players Limited and its subsidiary companies and also of the 50% owned companies. The summary of the appraisals of land submitted to us shows a valuation at June 30, 1971 of \$35,393,741 for land exclusive of buildings or equipment for Famous Players Limited and subsidiary companies. The cost of land as shown by the Consolidated Balance Sheet of that Company as at January 3, 1971 was \$12,413,382.

In addition, the appraisal shows a further value attributable to the land held by 50% owned companies. The 50% equity of Famous Players Limited in this value amounts to \$8,393,554. We are not aware of the cost of this land to the companies involved.

The values indicated were substantiated by outside appraisals, or purchase prices, or development agreements, and some lower value properties by assessment formulae, all of which were to estimate the fair market value of the land only, as if vacant. The properties in this valuation include properties upon which are situated theatres, drive-in theatres, hotels, apartments, and in some cases represent undeveloped land.

Famous Players Limited has formed a subsidiary "Famous Players Development Corporation Limited" for the development of its real estate holdings.

### **Real Estate Developments**

Famous Players has negotiated a long-term management contract with Canadian Pacific Hotels, effective December 1, 1971, to manage the 200-room Northstar Inn in Winnipeg. Famous Players has a 50% interest in this development which includes a twin auditorium theatre combined with a parking complex.

The 14-storey office building known as Capitol Square, Ottawa, is making excellent progress with construction currently on the 14th floor. Famous Players anticipates the three cinemas provided for will commence operation in the late spring of 1972. Leasing of the retail area is progressing well and the parkade has been fully leased. This development is 2/3 owned by Famous Players.

In Edmonton, the Whitehall Housing Development, owned by Famous Players has been under construction for the past two months and it is anticipated the official opening date for the overall project of the 600 apartment suite complex should be by the end of 1972.

Properties are also in the planning or design stage as a joint venture with the Bank of Nova Scotia in Calgary, and a partnership arrangement in Vancouver with Henry Birks Ltd. and the Bank of Nova Scotia in the downtown area to redevelop the company's properties in each of these cities.

### **General**

During the past year, your Board of Directors accepted the resignation of The Honourable Joseph A. Sullivan,

M.B., F.R.C.S.(C), Q.H.S., Senator of Canada, as Honorary Chairman of the Board. Senator Sullivan, a distinguished Canadian, gave counsel to the Board for over ten years and will be greatly missed.

Your Board of Directors would like to extend its grateful thanks to the management and employees of its wholly-owned companies, and the personnel in its associated companies, for their outstanding accomplishments, which made possible the progress achieved during the past year.

On behalf of the Board,

W. Z. ESTEY, Q.C.  
*President.*

December 22, 1971



**Canadian Cablesystems Limited and Subsidiary Companies**

**CONSOLIDATED STATEMENT OF EARNINGS**

*for the period from January 3, 1971 to August 31, 1971*

<b>Income from cable service, net</b> .....		<b>\$ 3,631,942</b>
<b>Expenses:</b>		
Operating, general and administrative .....	1,846,114	
Depreciation .....	<u>808,550</u>	
		<u>2,654,664</u>
Operating profit before the undernoted items .....		977,278
<b>Other income (expense):</b>		
Equity in net earnings (Note 3) —		
Famous Players Limited .....	1,035,497	
50% owned companies .....	183,833	
Interest earned and other income .....	283,528	
Interest paid .....	(249,720)	
Dividends received .....	<u>148,271</u>	
		<u>1,401,409</u>
		<u>2,378,687</u>
<b>Income taxes</b> .....		<u>611,428</u>
<b>Net earnings before extraordinary item</b> .....		<u>1,767,259</u>
Gain on sale of investments (Note 4) .....		<u>835,760</u>
<b>Net earnings for the period</b> .....		<u><u>\$ 2,603,019</u></u>
<b>Earnings per share — (Note 7)</b>		
— Before extraordinary item	\$ .49	
— For the period	\$ .72	

## Canadian Cablesystems Limited and Subsidiary Companies

### CONSOLIDATED STATEMENT OF RETAINED EARNINGS

*for the period from January 3, 1971 to August 31, 1971*

Balance at January 2, 1971 .....	\$46,645,687
Less: Amount attributed to Gulf + Western (Canada) Limited on reorganization (Note 2[c]) .....	23,585,802
	<u>23,059,885</u>
Net earnings for the period .....	2,603,019
	<u>25,662,904</u>
Dividends paid — \$.24 per share .....	1,222,770
Balance at August 31, 1971 .....	<u><u>\$24,440,134</u></u>

### CONSOLIDATED STATEMENT OF REORGANIZATION SURPLUS

*for the period from January 3, 1971 to August 31, 1971*

Communications assets written up to fair values (Note 2[b]) .....	\$14,230,000
Less:	
Amount attributed to Gulf + Western (Canada) Limited on reorganization (Note 2[c]) .....	7,080,279
Equity interest in reorganization costs borne by Famous Players Limited .....	53,737
Transfer to earnings of amounts written up now realized on sale of investments (Note 4) .....	<u>860,660</u>
	<u>7,994,676</u>
Balance at August 31, 1971 .....	<u><u>\$ 6,235,324</u></u>



## Canadian Cablesystems Limited and Subsidiary Companies

### CONSOLIDATED

August

#### ASSETS

##### Current assets:

Cash .....	\$ 45,752
Marketable securities, (market value \$791,500) .....	629,600
Accounts receivable .....	316,346
Current portion of notes receivable, including accrued interest .....	787,239
Inventories of materials at the lower of cost and net realizable value .....	298,228
Prepaid expenses .....	48,291
	<u>2,125,456</u>

##### Investments:

Notes receivable, less current portion .....	4,693,501
Investments in shares (Note 2) —	
Famous Players Limited (Notes 3 and 5) .....	20,084,879
Companies 50% owned (Note 3) .....	3,835,073
Companies less than 50% owned .....	<u>4,223,937</u>
	32,837,390

##### Fixed assets, at cost:

Buildings, equipment and leaseholds .....	13,030,761
Less: Accumulated depreciation .....	<u>4,636,181</u>
	8,394,580

Excess of carrying value of subsidiaries over book value of underlying assets .....	<u>8,644,622</u>
	<u>\$52,002,048</u>

## BALANCE SHEET

1, 1971

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### Current liabilities:

Bank advances (Note 5) .....	\$ 2,813,759
Accounts payable and accrued expenses .....	426,649
Dividend payable .....	504,941
Income debenture payable (Note 2) .....	7,016,366
Income taxes .....	<u>128,304</u>
	10,890,019

Prepayments for services ..... 1,045,879

Deferred income taxes ..... 670,757

#### Shareholders' equity:

Capital stock (Notes 2 and 6) —	
Authorized — 16,428,436 common shares without nominal or par value	
Issued — 3,606,724 shares .....	7,719,935
Share purchase warrants .....	1,000,000
Reorganization surplus .....	6,235,324
Retained earnings .....	<u>24,440,134</u>
	<u>39,395,393</u>

#### Approved on behalf of the Board:

W. Z. ESTEY, Q.C., Director

D. A. Williams, C.A., Director

\$52,002,048



## Canadian Cablesystems Limited and Subsidiary Companies

### CONSOLIDATED STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

for the period from January 3, 1971 to August 31, 1971

#### Source of funds:

##### Operations —

Net earnings for the period before extraordinary item .....	\$ 1,767,259
Depreciation .....	808,550
Deferred income taxes .....	119,500
Equity in undistributed earnings (Note 3) .....	(888,642)
	<u>1,806,667</u>
Cash and marketable securities received from sale of investments .....	445,000
Increase in service prepayments .....	72,191
Dividends from 50% owned companies .....	1,165,000
Repayments of long-term notes receivable .....	1,474,166
Other items (net) .....	167,204
	<u>5,130,228</u>

#### Disposition of funds:

Payment to Gulf + Western (Canada) Limited on reorganization .....	11,000,000
Decrease in working capital on sale of theatre assets to Famous Players Limited ..	1,396,055
Additions to fixed assets (net) .....	1,860,778
Dividends paid and payable .....	1,222,770
Amount owing to Gulf + Western (Canada) Limited transferred to current liabilities and repayments of long-term debt .....	<u>7,145,432</u>
	<u>22,625,035</u>
Decrease in working capital .....	17,494,807
Working capital, January 2, 1971 .....	<u>8,730,244</u>
Working capital deficiency, August 31, 1971 .....	<u>\$ 8,764,563</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

August 31, 1971

### 1. Principles of consolidation:

The consolidated balance sheet as at August 31, 1971 includes the assets and liabilities of the Company and all of its subsidiaries.

The fiscal year end of the Company has been changed to August 31 effective in 1971. Comparative financial statements have not been provided as they are not considered meaningful as a result of the reorganization referred to in Note 2.

### 2. Plan of arrangement:

Under a Plan of Arrangement approved by the Company's shareholders and sanctioned by the Supreme Court of Ontario the Company has completed the following reorganization:

- (a) The sale effective January 3, 1971 of all of the Company's business, undertaking and assets, other than communications assets, to Famous Players Limited, a newly-formed company. As consideration therefor the Company received all of the issued share capital of Famous Players Limited, which also assumed all the liabilities except for those deemed to be attributable to the communications business.
- (b) The Company's communications assets as at January 3, 1971 were written up by \$14,230,000 to fair values as determined by the directors and this amount was credited to reorganization surplus.

- (c) On March 12, 1971 supplementary letters patent were obtained confirming the Plan of Arrangement including the reduction of the authorized and issued capital stock by the cancellation of 3,571,564 common shares and by the cancellation of share purchase warrants entitling the bearers thereof to purchase 367,156 shares of the Company, then owned by Gulf + Western (Canada) Limited. Effective on that date the Company issued to Gulf + Western (Canada) Limited an income debenture in the amount of \$7,016,366 bearing interest at 4% per annum and repayable on or before June 30, 1972. Should the present tax benefits to the holder of the income debenture be changed by income tax amendments to its detriment, the income debenture will be converted to an ordinary debenture bearing interest at 1% above the prime Toronto commercial lending rate. The debenture will be secured by a pledge of 1,349,791 shares of Famous Players Limited. Subsequent to the issue of the debenture the Company paid to Gulf + Western (Canada) Limited an amount of \$11,000,000 in cash and delivered to it 51.148% of the shares held of Famous Players Limited. The following entry was recorded as a result of these transactions:

	<i>Debit</i>	<i>Credit</i>
Capital stock .....	\$ 7,644,955	
Reorganization surplus .....	7,080,279	
Retained earnings .....	23,585,802	
Owing to Gulf + Western (Canada) Limited .....		\$11,000,000
Income debenture .....		7,016,366
Investment in Famous Players Limited .....		20,294,670

- (d) On March 15, 1971 supplementary letters patent were obtained changing the name of the Company to Canadian Cablesystems Limited and declaring it a "Constrained-Share Company" (Note 6).

### 3. Investment in shares:

The carrying value of the Company's investment in Famous Players Limited (48.8% owned) at the date of reorganization on January 3, 1971 is equal to its equity in the underlying net book value of the assets of that company at that date. The carrying values of investments in 50% owned companies and companies owned less than 50% at January 3, 1971 is equal to the written up fair values at that date (Note 2[b]).

It is the Company's policy to account on an equity basis for its share of earnings since January 3, 1971 of Famous Players Limited and 50% owned companies and these are set out in the consolidated statement of earnings for the fiscal period ended August 31, 1971. A summary of the changes in net equity for the period is as follows:

	<i>Famous Players</i>	<i>50%-owned companies</i>	<i>Total</i>
Equity in net earnings for the fiscal period .....	\$1,035,497	\$ 183,833	\$1,219,330
Less: Dividends received out of current earnings .....	280,538	50,150	330,688
Increase in undistributed current earnings .....	754,959	133,683	888,642
Adjustment of gain on sale of investments in 1970 .....		(24,900)	(24,900)
Dividend received out of proceeds from 1970 sale of communications assets .....	—	(1,165,000)	(1,165,000)
Change in net equity .....	<u>\$ 754,959</u>	<u>\$ (1,056,217)</u>	<u>\$ (301,258)</u>

### 4. Gain on sale of investments:

During the period the Company sold certain of its investments in two companies for amounts equivalent to the written up fair values at time of reorganization (Note 2[b]). Accordingly an amount of \$860,660 being the portion of the amounts written

up remaining in reorganization surplus at the time of sale, was transferred to earnings and shown as an extraordinary item in the consolidated statement of earnings for the period, net of an adjustment relating to the gain on sale of investments in 1970 of \$24,900.

**5. Bank advances:**

The Company has a bank line of credit available up to a total of \$9,750,000. The Company's notes receivable and shares of Famous Players Limited not committed to be pledged for the income debenture (Note 2[c]), are pledged as collateral for the outstanding loans.

**6. Capital stock and share purchase warrants:**

- (a) The Company has reserved 4,632,844 of the authorized common shares under rights attaching to its share purchase warrants. These purchase warrants entitle the holder to purchase one common share on or before December 31, 1979 at \$25 per share, which price is subject to adjustment under the provisions of the Share Purchase Warrant Indenture. Purchase warrants for 600,672 shares are issued and outstanding and purchase warrants for 4,032,172 shares have not yet been issued.
- (b) The Company has been declared to be a "Constrained-Share Company" under provisions of supplementary letters patent dated March 15, 1971. The "constrained-class" consists of non-Canadian persons or corporations. As a result, a maximum of 20% of the outstanding shares of the Company may be held by the "constrained-class" and a maximum of 7½ % may be held by any one member of the "constrained-class".

**7. Earnings per share:**

Before extraordinary item .....\$.49  
For the period .....\$.72

The above earnings per share calculations are based on 3,606,724 shares presently outstanding resulting from the reorganization effective January 3, 1971 referred to in Note 2.

**8. Lease commitments:**

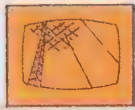
Minimum commitments under agreements and leases for the rental of premises and distribution lines amount to approximately \$365,000 per annum as at August 31, 1971. Rental expense for the period ended August 31, 1971 amounted to \$142,777.

**9. Contingent liabilities:**

- (a) The Company is contingently liable with respect to guarantees of obligations of associated and other companies in the amount of \$295,000 as at August 31, 1971.
- (b) The proceeds received on the sale in 1970 of a communications company may be subject to reduction by reason of a contingent liability up to a maximum of \$450,000 to the purchaser of such company.
- (c) Under the reorganization effective January 3rd, 1971 Famous Players Limited assumed liability in all leases pertaining to the theatre business and provided the Company with a formal indemnity against any loss in this regard. While the Company has been released from its obligations in a great many of these leases, there are still lease commitments under which it remains contingently liable. Releases and discharges are presently being obtained from these obligations and the Company's management does not believe that any liability will result to the Company.

**10. Remuneration of directors and senior officers:**

Remuneration of 17 directors, including 8 past directors, as directors, and 10 senior officers, including 6 past senior officers, amounted to \$4,430 and \$38,030 respectively for the fiscal period ended August 31, 1971; 3 senior officers of the Company also served as directors.



## AUDITORS' REPORT

To the Shareholders of  
Canadian Cablesystems Limited:

We have examined the consolidated balance sheet of Canadian Cablesystems Limited and its subsidiaries as at August 31, 1971 and the consolidated statements of earnings, retained earnings, reorganization surplus, and source and disposition of funds for the fiscal period from January 3, 1971 to August 31, 1971. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of the auditors who have examined the financial statements of one of the subsidiaries.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at August 31, 1971 and the results of their operations and the source and disposition of their funds for the fiscal period from January 3, 1971 to August 31, 1971, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

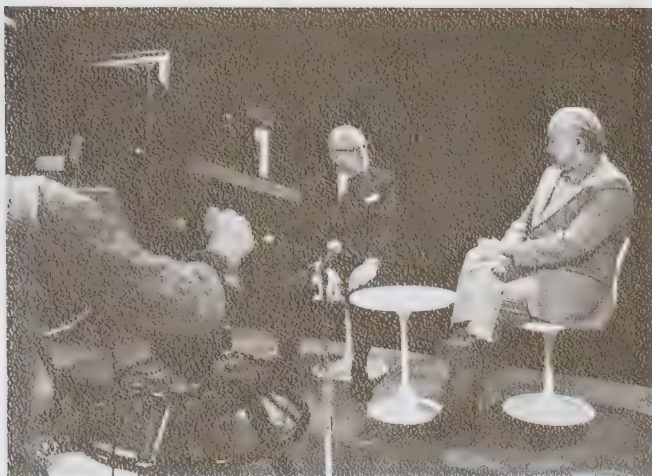
PRICE WATERHOUSE & CO.  
Chartered Accountants

Toronto, Canada  
November 30, 1971

## Canadian Cablesystems Limited and Subsidiary Companies

### INTERESTS IN CATV SYSTEMS

	Percentage Interest of the Company	Potential TV Households in Licensed Areas	Approximate No. of Subscribers to System			% Saturation
			As at Dec. 31/70	As at Aug. 31/71	As at Nov. 15/71	
<b>Wholly-Owned Subsidiaries</b>						
Grand River Cable TV Limited	100%	70,000	47,000	52,000	54,500	77.9%
Hamilton Co-Axial (1958) Limited	100%	40,275	19,000	20,900	22,000	54.6%
Metro Cable TV Limited	100%	144,000	43,000	47,500	50,300	34.9%
<b>50% Owned Companies</b>						
Cornwall Cable Vision 1961 Limited	50%	12,500	9,200	9,600	9,900	79.2%
London TV Cable Service Limited	50%	50,000	41,000	41,800	43,400	86.8%
<b>Companies Less Than 50% Owned</b>						
Oshawa Cable TV Limited	37½ %	26,800	11,500	12,300	12,800	47.8%
Jarmain Cable TV Limited	34%	27,800	16,900	18,000	19,100	68.7%
Chatham Cable TV Limited	25%	10,500	4,600	4,900	5,400	51.4%
Alberni Cable Television Limited	20%	5,000	4,800	4,800	4,800	96.0%
		<u>386,875</u>	<u>197,000</u>	<u>211,800</u>	<u>222,200</u>	<u>57.4%</u>



*Canadian Cablesystems' desire to serve the community is well exemplified in the completely modernized facilities at Metro Cable TV Limited in Toronto.*

①

Metropolitan Citizen Safety Council in production on their own weekly show in Metro's Toronto Studio.

②

Studio productions are controlled and videotaped in the control center. The installation includes the latest in solid state equipment for both film and videotape.

③

Metro Cable's special service emergency truck is a fully-equipped mobile laboratory ensuring technical action where and when required. This is the flagship of a full fleet of service vehicles.

④

Simplified office procedures include this modern filing system, giving direct access to over 50,000 subscriber records.

⑤

Customer service calls are received and radio-dispatched at the Service Control Center, where constant surveillance is maintained over all channels on the system.







CANADIAN CABLESYSTEMS LIMITED

EXECUTIVE OFFICES

SUITE 202  
123 EGLINTON AVENUE EAST  
TORONTO 12, ONTARIO  
TELEPHONE (416) 483-1191

January 3, 1972.

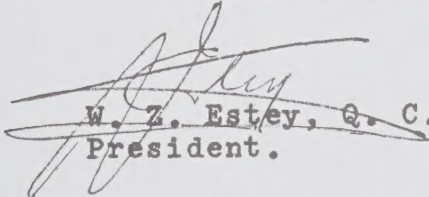
To Our Shareholders:

At the time of the printing of our Annual Report, which is enclosed, there had been no announcement regarding the renewal of cable TV licenses for your Company's subsidiaries and affiliates.

We therefore advise you that the Canadian Radio-Television Commission announced in a decision December 31st, 1971 that all of the licenses held by your companies in Ontario have now been renewed. The renewals were for periods expiring September 30, 1975 in Toronto and September 30, 1976 in all other areas served.

Yours very truly,

WZE:JF  
ENCL.



W. Z. Estey, Q. C.,  
President.

